TNG LIMITED

ASX ANNOUNCEMENT

16 February 2015

ASX CODE: TNG

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PROJECTS

Mount Peake: Fe-V-Ti
Black Range Iron
Manbarrum: Zn-Pb-Ag
East Rover: Cu-Au
McArthur: Cu-Zn-Pb-Ag
Mount Hardy: Cu-Au-Zn-Pb
Sandover: Cu-Au
Walabanba: Fe-V-Ti-Cu-Au
Tomkinson : Cu-Zn-Pb-Ag

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SIGNIFICANT HIGH-GRADE COPPER DISCOVERY EXPANDS POTENTIAL OF McARTHUR RIVER ZINC PROJECT

Outstanding copper grades of 47% and 48% Cu and 68gpt silver from reconnaissance rock chip sampling

HIGHLIGHTS

- **Rock chip sampling results of 48% Cu, 47% Cu and 68gpt Ag have been returned to the west of previously reported drill-hole 14MCDDH002 at the McArthur River Zinc-Copper Project, in the NT.**
- **Outcrop shows a mixed supergene sulphide and carbonate/oxide copper-bearing formation.**
- **This new zone extends over an area of 300m x 600m within a large 700m x 1400m area of soil anomalism.**
- **These results further enhance the prospectivity of the McArthur River Project, which is proposed for inclusion in the spin-off of TNG's non-core base metal assets via Todd River Resources.**

TNG Limited (ASX: TNG) is pleased to advise that it has significantly expanded the exploration potential of its 100%-owned **McArthur River Project** in the Northern Territory (Figure 1), following the discovery of a significant zone of high-grade copper mineralisation at surface.

The Company has received analytical results from a recent reconnaissance program of surface rock chip sampling at McArthur River including exceptional high copper grades of **47% Cu and 48% Cu**. The results define an immediate priority zone for follow-up drilling.

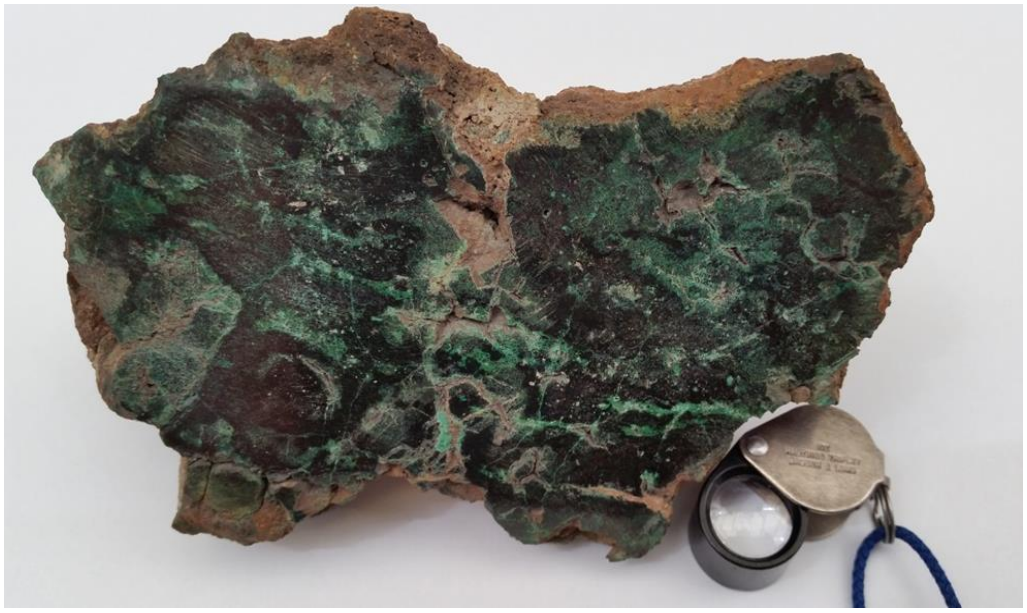

Figure 1. Specimen sample MC15001, showing the breccia texture and copper minerals (green malachite and sooty black chalcocite and tenorite)

The McArthur River Project is located 60km south-west of the world-class McArthur River Zinc Mine (Figure 2) operated by Glencore, and within the Batten Fault Zone, which hosts several other base metal resources, including the recently outlined Teena deposit (Rox/Teck).

The Project is part of a portfolio of non-core base metal assets held by TNG in the Northern Territory which are intended to be included in the demerger of Todd River Resources, planned for later this year. This is consistent with TNG's focus on advancing its world-class Mount Peake Vanadium-Titanium-Iron Project to development.

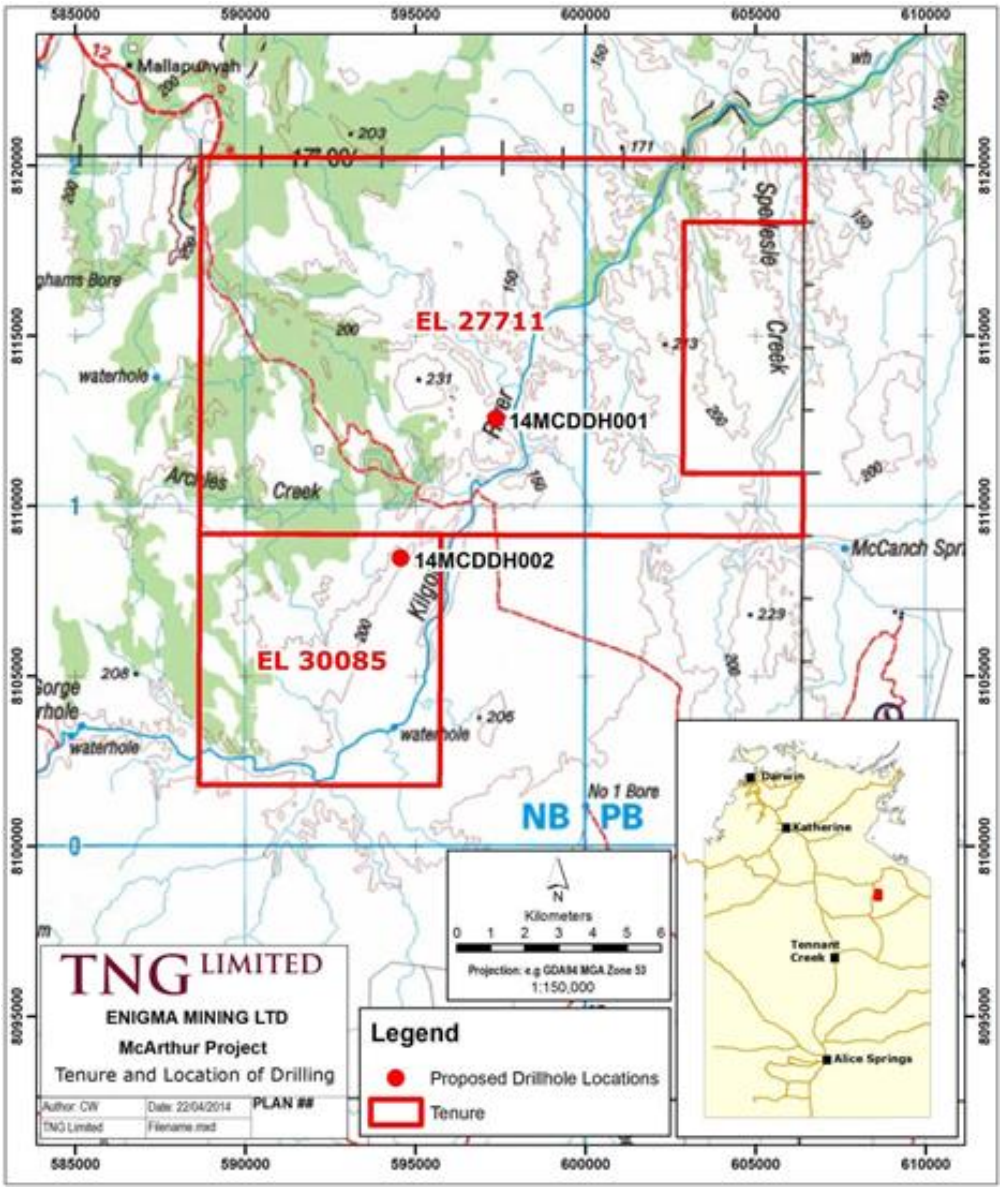

Figure 2. TNG's 100%-owned McArthur River Project location

Previous exploration has focused mainly on the zinc prospectivity of the area but this recent work by TNG indicates a new area of potentially significant copper prospectivity.

Recent work by TNG at McArthur River highlighted the zinc and copper potential of the tenements (*see ASX Announcements – 16 September 2013, 20 August 2014, and 14 October 2014*), with reconnaissance drilling to test the geological model completed at two target zones based on anomalous surface soil geochemistry and coincident geophysical (IP) conductors.

Sampling of this drill core proved an intersection of the prospective lithology, the Wollogorang Formation with numerous sulphides and returned results of over 0.2% for both zinc and copper (*see ASX Announcement – 18 December 2014*).

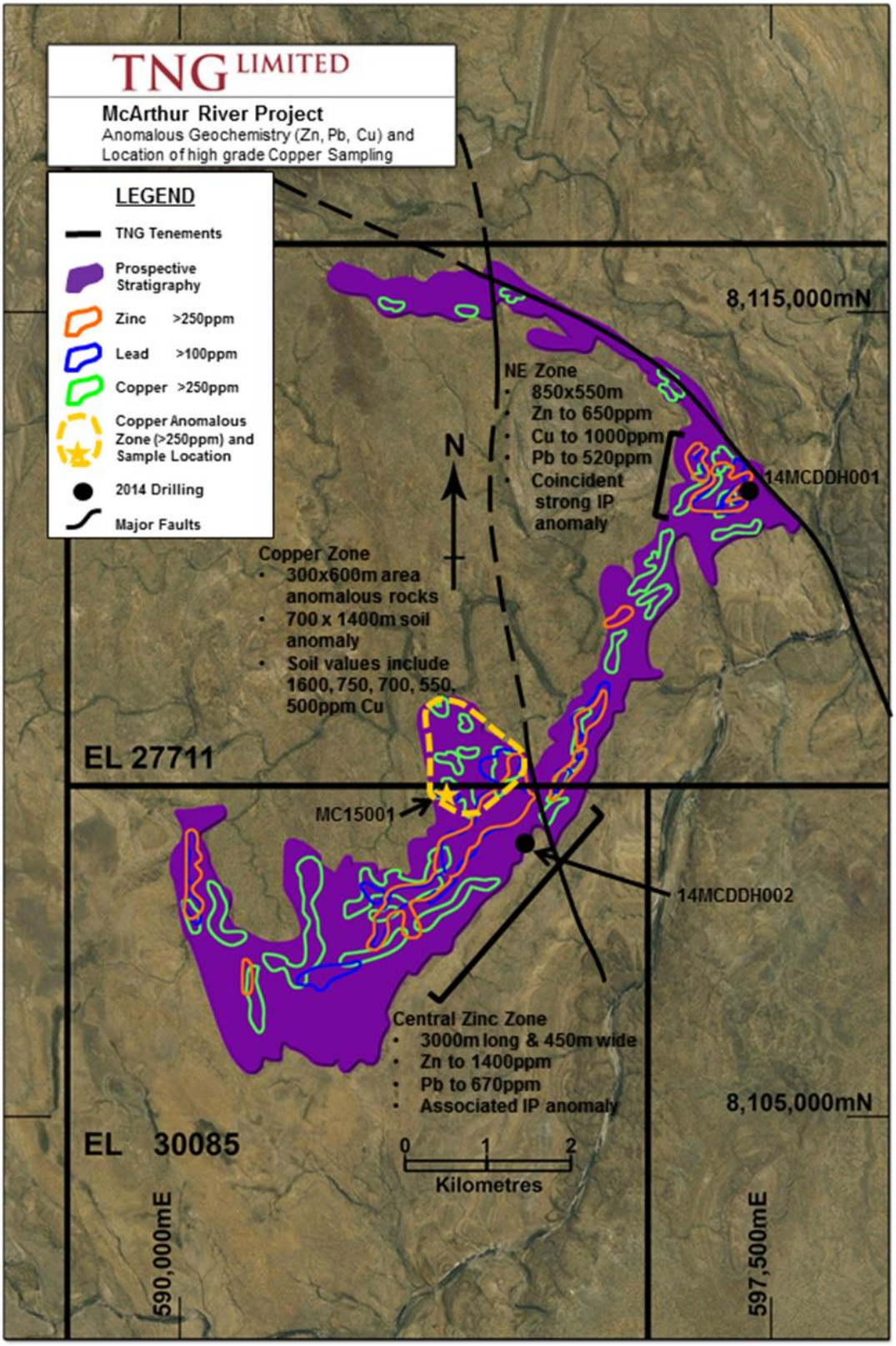

Figure 3. Location of rock chip sample MC15001, in relation to regional geochemical anomalism and drilling, McArthur River Project, NT.

As part of a follow-up exercise, rock samples were collected during routine cross-section traversing related to the drilling that was undertaken in September/October 2014.

During this process, a significant area of surface outcropping rocks containing malachite and chalcocite (copper-bearing minerals) were noted and collected in a large zone of brecciated shale near the base of the prospective Wollogorang Formation to the west of previously reported hole 14MCDDH002 (see Figure 4 below showing an enlarged view of the location of the copper rock chip sample and extent of the copper soil anomaly area, McArthur River Project).

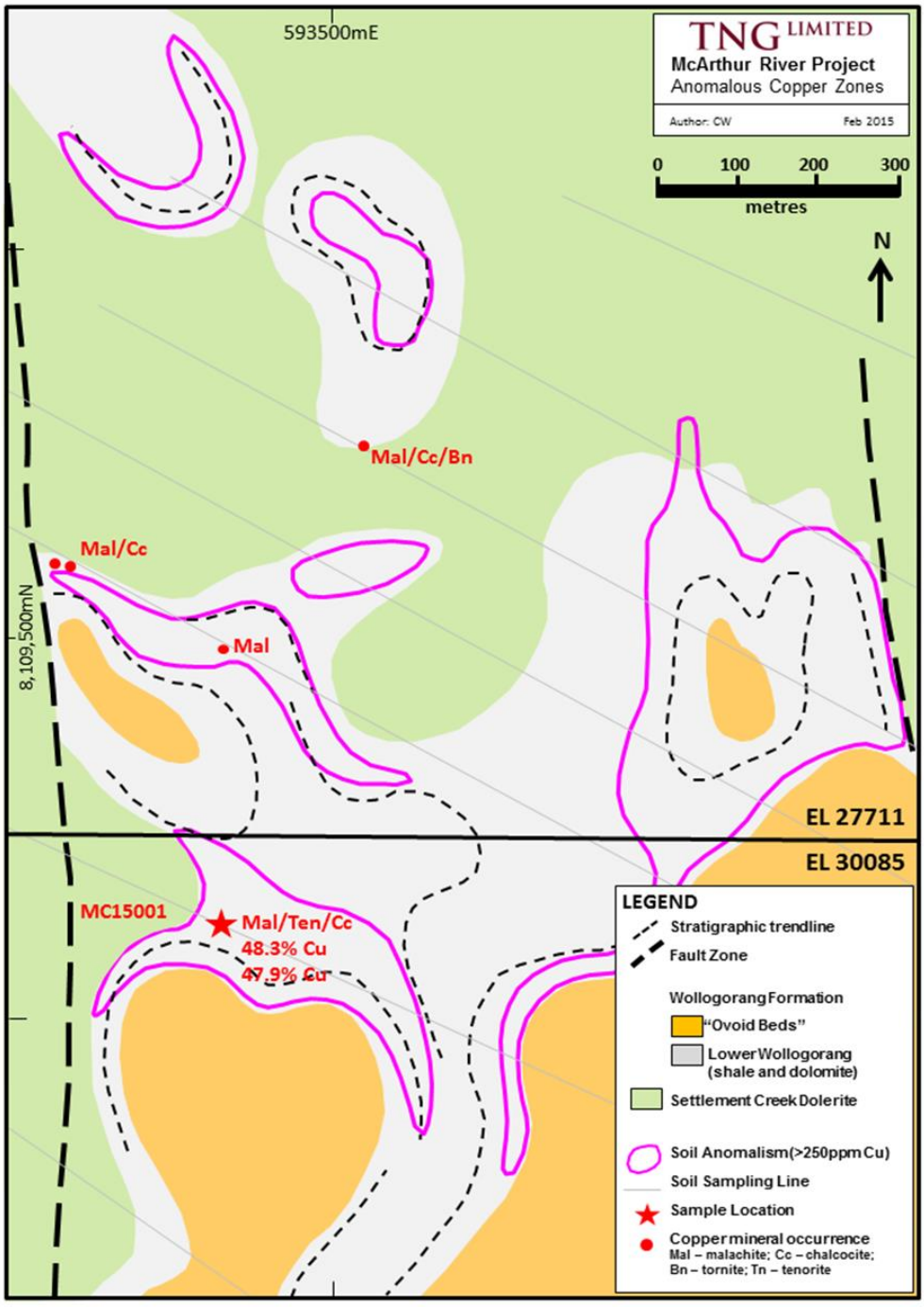

Figure 4. Location of rock chip sample MC15001, stratigraphic units, other visual copper minerals noted and soil geochemistry. Copper soil anomalies cover an 1100 by 1400 metre area within an overall anomalous zone extending for 9km with distinct structural and stratigraphic control.

Analytical results for the sample are shown in Table 1 below, while sampling details are outlined in Appendix 1. Copper returned >40% (above the upper detection limit of the technique) in the four acid digest analysis (ME-ICP61a/Cu-OG62), and so two new samples taken from the original pulp powder were analysed by XRF method (ME-XRF15c) resulting in grades of 48.3% and 47.9% copper.

Sample Number	Analysis	Cu (ppm)	Au (ppm)	Ag (ppm)	Bi (ppm)	S (%)
MC15001	ICP	>100000	0.031	68	1050	1.76

Table 1: Rock sample analytical results by ICP, conducted at ALS laboratories, Perth.

Sample Number	Analysis	Cu (%)
MC15001	XRF	48.3
		47.9

Table 2: Rock sample analytical results by XRF, conducted at ALS laboratories, Perth

The sample also contains highly anomalous silver, grading 68ppm Ag, with background zinc and lead. The sample has tenorite (high grade and dark/black "earthy" copper oxide mineral) present and chalcocite, indicative of hydrothermal alteration.

During 2013/2014, TNG focused on the zinc potential within the central Wollogorang Formation – which is similar in many ways to the mineralization seen at the world-class McArthur River Zinc Mine, located 60km to the north (*see ASX Announcement – 20 August 2014*).

This high-grade copper sample provides significant encouragement that economic grade copper mineralization may also be found within the tenement package. A program of rock sampling, geological mapping, and geophysics covering this significantly anomalous area has been designed and may be conducted early in the coming dry season.

TNG's Managing Director, Mr Paul Burton, said the discovery of an extensive zone of high-grade surface copper mineralisation was a significant development for the McArthur River Project.

"This further demonstrates the substantial untapped exploration potential within our portfolio. We have so far been focusing on the potential for McArthur River to host a world-scale zinc system, which we believe remains a very credible and realistic exploration opportunity. This latest discovery shows the potential for high-grade copper in the near-surface environment, which is an exciting development which adds substantial value to the project."

Paul E Burton
Managing Director

16 February 2015

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Competent Person Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on, and fairly represents, information and supporting documentation compiled by Exploration Manager Mr Kim Grey B.Sc. and M. Econ. Geol. Mr Grey is a member of the Australian Institute of Geoscientists, and a full time employee of TNG Limited. Mr Grey has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grey consents to the inclusion in the report of the matters based on his information in the form and context in which it appear.

Forward-Looking Statements

This announcement has been prepared by TNG Ltd. This announcement is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained.

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Appendix One

Analytical results: Rock sample by ICP method ME-ICP61a/Cu-OG62 and by XRF method ME-XRF15c

ROCK SAMPLE ANALYSIS

			Lab Technique/Code	PGM-ICP24	PGM-ICP24	PGM-ICP24	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a
SAMPLE	EASTING	NORTHING	Element	Au	Pt	Pd	Ag	Al	As	Ba	Be	Bi	Ca	Cd	Co	Cr
NUMBER	GDA MGA Zone 53		Units	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm
MC15001	593,373mE	8,109,079mN	Reported Value	0.031	<0.005	0.003	68	0.2	<50	1860	<10	1050	0.12	<10	10	10

			Lab Technique/Code	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a
SAMPLE	EASTING	NORTHING	Element	Cu	Fe	Ga	K	La	Mg	Mn	Mo	Na	Ni	P	Pb	S
NUMBER	DA MGA Zone 53		Units	ppm	%	ppm	%	ppm	%	ppm	ppm	%	ppm	ppm	ppm	%
MC15001	593,373mE	8,109,079mN	Reported Value	>100000	5.72	<50	0.1	<50	0.15	210	30	<0.05	<10	180	40	1.76

			Lab Technique/Code	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	ME-ICP61a	Cu-OG62
SAMPLE	EASTING	NORTHING	Element	Sb	Sc	Sr	Th	Ti	Tl	U	V	W	Zn	Cu
NUMBER	DA MGA Zone 53		Units	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	%
MC15001	593,373mE	8,109,079mN	Reported Value	<50	<10	50	<50	<0.05	<50	100	10	<50	<20	>40

			Lab Technique/Code	ME-XRF15C
SAMPLE	EASTING	NORTHING	Element	Cu
NUMBER	DA MGA Zone 53		Units	%
MC15001	593,373mE	8,109,079mN	Reported Value	
MC15001 (Dupl.)	593,373mE	8,109,079mN	Reported Value	

APPENDIX TWO – MCARTHUR RIVER PROJECT

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report.	The reported sample was selectively taken from an outcrop covering 5m by 10m where malachite was common.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Not relevant
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not relevant
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.	The rock samples reported here is geologically described in the report
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.	Rock grab sample. Sample preparation by ALS using PUL23 method to crush and pulverize the entire sample – industry standard and appropriate. No field duplicates taken. Sample size (>1kg) appropriate for the grainsize of ore minerals.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Sample analysed at ALS in Perth by techniques ME-ICP61a a four acid “total” digest for a suite of 33 elements. Au, Pt and Pd by PGM-ICP24 a 50g Fire Assay for precious metals. High grade copper was reanalysed by OG62 (upper DL of 40% Cu) and then by ME-XRF15c – a Lithium metaborate fusion decomposition with XRF determination. Two duplicate samples, taken from the original pulp, were determined by XRF
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	Sampling was conducted by the Exploration Manager No adjustments have been made to the primary assay data
Locations of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.	The sample was picked up using a standard GPS device, with accuracy of better than 3 metres for Northing and Easting, and around 5 metres for RL. All coordinates data for the project are in MGA_GDA94 Zone 53.

Data spacing and distribution	Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.	Sampling was of an exploratory and reconnaissance nature and spacings are insufficient to establish continuity or define Resources. No compositing has been applied to the exploration results.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The sample comes from the lowermost subunit in the Wollogorang Formation – and so there is good control on its geological position.
Sample security	The measures taken to ensure sample security.	All core and samples were under company supervision at all times prior to freighting to ALS laboratories in Alice Springs
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No sampling audits have been completed to date at the McArthur River Project
Criteria	**JORC Code explanation**	**Commentary**
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The McArthur River Project comprises two tenements EL 27711 and EL 30085, held by Enigma Mining Ltd, a wholly owned subsidiary of TNG Limited. The sample comes from EL 30085. The tenements are in good standing with no know impediments
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	The most significant previous work looking for base metals in the area was completed in the late 1960's by AGPL and is available on NTGS open file
Geology	Deposit type, geological setting and style of mineralisation.	The main target for this project is Zn-Pb-Cu-Ag mineralisation of a similar style to that found at the McArthur River Mine, some 60km NNE of the project location. This sample displays stratabound copper mineralisation with a suggestion of structural control
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ○ Easting and northing of the drill collar ○ Elevation of RL (Reduced Level – elevation above sea level in metres) of the drill collar ○ Dip and azimuth of the hole ○ Down hole length and interception depth ○ Hole length	Not relevant
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	No data aggregation has been applied.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	The sample is from a known unit but there is no information about the thickness nor extent of this mineralisation
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to Figures 1 and 2 in the body of the report

Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All laboratory results are presented.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Information relating to this area appeared in the ASX releases on 16 September 2013, 27 June 2014, 20th August 2014, 14th October 2014, and 18 December 2014.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Geological mapping and soil (pXRF and lab ICP) sampling will be conducted once the wet season is over.